

kept, and maintained by a ~~distributor or dealer~~ supplier, restrictive supplier, importer, exporter, blender, or compressed natural gas or liquefied petroleum gas dealer or user shall be made, kept, and maintained on the gross volume basis. For purposes of this section, "distillate fuels" means any fuel oil, gas oil, topped crude oil, or other petroleum oils derived by refining or processing crude oil or unfinished oils which have a boiling range at atmospheric pressure which falls completely or in part between five hundred fifty and twelve hundred degrees Fahrenheit.

Sec. 42. INVENTORY OF UNDYED SPECIAL FUEL. Licensed dealers and users shall take inventory of the gallonage of undyed special fuel held in storage as of the effective date of this Act and pay to the department of revenue and finance, as specified in section 452A.85, subsection 2, a tax of twenty-two and one-half cents per gallon. However, on-farm storage of undyed special fuel shall be exempt from the inventory requirements and the tax imposed under this section.

Sec. 43. Sections 452A.13, 452A.16, 452A.20, and 452A.31 through 452A.38, Code 1995, are repealed.

Sec. 44. This Act takes effect January 1, 1996. All licenses* and permits existing prior to the effective date of this Act, except for licenses and permits issued under division III of chapter 452A, shall be canceled at that time, notwithstanding the provisions of chapter 17A.

Approved May 4, 1995

CHAPTER 156

FRUIT-TREE OR FOREST RESERVATION RECAPTURE TAX

H.F. 558

AN ACT relating to the recapture tax on property maintained as a fruit-tree or forest reservation for which a property tax exemption was granted and providing effective and applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 427C.12, unnumbered paragraph 2, Code 1995, is amended to read as follows:

The board of supervisors shall designate the county conservation board or the assessor who shall inspect the area for which an application is filed for a fruit-tree or forest reservation tax exemption before the application is accepted. Use of aerial photographs may be substituted for on-site inspection when appropriate. The application can only be accepted if it meets the criteria established by the natural resource commission to be a fruit-tree or forest reservation. Once the application has been accepted, the area shall continue to receive the tax exemption during each year in which the area is maintained as a fruit-tree or forest reservation without the owner having to refile. If the property is sold or transferred, ~~the buyer or transferee does not have to refile for the tax exemption~~ the seller shall notify the buyer that all, or part of, the property is in fruit-tree or forest reservation and subject to the recapture tax provisions of this section. The tax exemption shall continue to be granted for the remainder of the eight-year period for fruit-tree reservation and for the following years for forest reservation or until the property no longer qualifies as a fruit-tree or forest

*The word "licenses" probably intended

reservation. The area may be inspected each year by the county conservation board or the assessor to determine if the area is maintained as a fruit-tree or forest reservation. If the area is not maintained or is used for economic gain other than as a fruit-tree reservation during any year of the eight-year exemption period and any year of the following five years or as a forest reservation during any year for which the exemption is granted and any of the five years following those exemption years, the assessor shall assess the property for taxation at its fair market value as of January 1 of that year and in addition the area shall be subject to a recapture tax. However, the area shall not be subject to the recapture tax if the owner, including one possessing under a contract of sale, and the owner's direct antecedents or descendants have owned the area for more than ten years. The tax shall be computed by multiplying the consolidated levy for each of those years, if any, of the five preceding years for which the area received the exemption for fruit-tree or forest reservation times the assessed value of the area that would have been taxed but for the tax exemption. This tax shall be entered against the property on the tax list for the current year and shall constitute a lien against the property in the same manner as a lien for property taxes. The tax when collected shall be apportioned in the manner provided for the apportionment of the property taxes for the applicable tax year.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment and applies to sales or transfers of property made on or after the date of enactment.

Approved May 4, 1995

CHAPTER 157

ASSESSMENT OF CERTAIN COOPERATIVE AND NONPROFIT RESIDENTIAL PROPERTY

H.F. 559

AN ACT defining multiple housing cooperatives and certain other property of nonprofit organizations as residential property for purposes of assessing the value of the property for taxation purposes, and providing for the Act's retroactive applicability.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 441.21, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 12. Beginning with valuations established 12 or after January 1, 1995, as used in this section, "residential property" includes all land and buildings of multiple housing cooperatives organized under chapter 499A and includes land and buildings used primarily for human habitation which land and buildings are owned and operated by organizations that have received tax-exempt status under section 501(c)(3) of the Internal Revenue Code and rental income from the property is not taxed as unrelated business income under section 422.33, subsection 1A.

Sec. 2. **RETROACTIVE APPLICABILITY.** This Act applies retroactively to January 1, 1995, for assessment years beginning on or after that date.

Approved May 4, 1995